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Executive Secretary

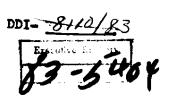
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OFFICE OF THE SECRETARY OF THE TREASURY WASHINGTON, D.C. 20220



November 7, 1983

UNCLASSIFIED
(With Confidential Attachment)

MEMORANDUM FOR TH

THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF DEFENSE

THE ATTORNEY GENERAL

THE SECRETARY OF AGRICULTURE

THE SECRETARY OF COMMERCE

THE SECRETARY OF ENERGY

THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

DIRECTOR OF CENTRAL INTELLIGENCE UNITED STATES TRADE REPRESENTATIVE

ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS

ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF

OF STAFF

SUBJECT

Senior Interdepartmental Group on International Economic Policy

Attached are the minutes of the SIG-IEP meeting held on October 13.

David E. Pickford Executive Secretary

Attachment



SENIOR INTERDEPARTMENTAL GROUP-INTERNATIONAL ECONOMIC POLICY

October 13, 1983
Room 208
Old Executive Office Building
4:30 p.m.

Attendees:

Treasury
Secretary Regan, Chairman
Marc E. Leland
John M. Walker
William Von Raab

Office of the Vice President G. Philip Hughes

State
W. Allen Wallis
Richard McCormack

Defense Fred Ikle Dov Zakheim

Justice
Jonathan Rose
J. Michael Shepherd
Theodore Olson

Agriculture
John R. Block
Jhani Laupus

Commerce
Malcolm Baldrige
Lionel M. Olmer

OMB Alton G. Keel CIA Maurice Ernst

USTR Michael B. Smith William Triplett

CEA Martin S. Feldstein Jeffrey Frankel William Niskanen Dave Henderson

White House Richard G. Darman

<u>Cabinet Affairs</u> <u>Larry Herbolsheimer</u>

DOE William Silvey Jan Mares

OPD John S. Svahn Roger B. Porter

NSC William Martin Roger Robinson

Slave Labor Import Restrictions

The Chairman opened the meeting by suggesting that the SIG be briefed by Customs Commissioner Von Raab and Treasury Assistant Secretary for Enforcement Walker on the recent controversy sparked by a front page New York Times article about imports of goods which have been produced by slave labor. The authorities noted that such goods are restricted from entering the United States on the basis of a seventy year old law. Enforcement is difficult primarily because of problems associated with tracing the origins of the goods, and also because it is not always possible to obtain conclusive evidence of the use of slave labor in specific cases.

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Items which have been identified in the past include lumber, furniture, some auto parts and minerals, including petroleum. Of over \$229 million in trade between the U.S. and the U.S.S.R., only a small portion is believed to originate in labor camps. Other countries which are believed to export such goods could include the PRC and East Germany. The Chairman concluded the discussion by noting that State, CIA and Treasury would continue their ongoing activities to see what evidence exists as to violators of the statute and how the law ought to be enforced.

Export Administration Act

The Chairman then asked the SIG to consider the serious problem of a lapse of the Export Administration Act. After a thorough discussion, the SIG agreed to recommend that the President invoke the International Economic Emergency Powers Act to ensure the continuation of the President's discretionary authority to control U.S. exports for reasons of national security, foreign policy, or short supply.

U.S.-Japan Energy Working Group

Allen Wallis presented a status report on the U.S.-Japan Energy Working Group, outlining the main features of a joint statement to be issued during the President's visit to Japan. Secretary Baldrige strongly cautioned that we not be satisfied with cosmetic agreements and that we get concrete action from the Japanese on opening their markets.

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